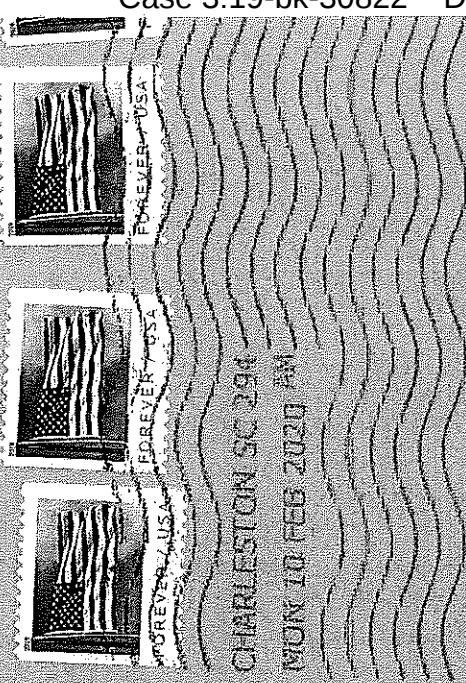


EXHIBIT 8

P.O. Box 639
Saint Helena SC 29920

Jane Staples State Farm
173 St Patrick's Drive suite 101
Waldorf Maryland 20603
ATTN Jane Staples



RECEIVED
JUN 11 - 2 11:11:35

VIRGINIA:

IN THE CIRCUIT COURT
FOR ARLINGTON COUNTY

DANIEL J. WHITE
P.O. Box 1760
Leonardtown, Maryland 20650,

and

MICHAEL R. WHITE
39650 Hiawatha Court
Mechanicsville, Maryland 20659,

Plaintiffs,

v.

Case No. 19-3628

COMPASS MARKETING, INC.,
a Virginia corporation
222 Severn Avenue
Building 14, Suite 200
Annapolis, Maryland 21403,

Serve: Business Filings Incorporated
Resident Agent
4701 Cox Road, Suite 285
Glen Allen, Virginia 23060,

and

JOHN D. WHITE
222 Severn Avenue
Building 14, Suite 200
Annapolis, Maryland 21403,

Defendants.

PETITION FOR JUDICIAL DISSOLUTION

COME NOW, Plaintiffs Daniel J. White and Michael R. White ("Plaintiffs" or
"Petitioners") and petition this Honorable Court to dissolve the Defendant corporation Compass

**PALEY
ROTHMAN**
ATTORNEYS AT LAW

4800 HAMPDEN LANE
6TH FLOOR
BETHESDA, MD 20814
301-656-7603
301-654-7354 fax

www.paleyrothman.com

Marketing, Inc. ("Compass"), pursuant to Va. Code Ann. § 13.1-747. In support thereof, Petitioners state the following:

1. This action is being brought to appoint a receiver for and to dissolve Compass, a once thriving family business owned by brothers Daniel J. White ("Daniel White"), Michael R. White ("Michael White") and John D. White ("John White"). Unfortunately, management of Compass is now completely and hopelessly deadlocked as a result of John White's illegal, fraudulent, disloyal and oppressive conduct. Not only has John White wrongfully seized control of the company by physically locking his brothers out of the business and wresting all decision-making away from his brothers who are the only other directors, but he is using Compass as a vehicle to engage in deceptive practices in the sale of securities and other fraud. John White's unlawful conduct has also resulted in investigations of the company by the State of Maryland and the United States Department of Labor. John White is literally running Compass into the ground and trying to take everyone down with him. The business affairs of the company can no longer be conducted to the advantage of all the shareholders, and it is time to appoint a receiver and dissolve the company before John White's unlawful conduct creates further harm and damage to the company, the Petitioners and others.

Parties

2. Daniel White is an adult citizen of Maryland. Daniel White owns twenty-five percent (25%) of the outstanding Compass corporate stock, and is a director of Compass.

3. Michael White is an adult citizen of Maryland. Michael White owns twenty-five percent (25%) of the outstanding Compass corporate stock, and is a director of Compass.

4. John White is a citizen of the State of Maryland. John White owns the remaining fifty percent (50%) of the outstanding corporate stock of Compass, and is a director of Compass.

5. Daniel White, Michael White and John White are the only shareholders and directors of Compass.

6. Compass is a corporation duly organized under the laws of the Commonwealth of Virginia and was formed in 1998, with its principal place of business located at 222 Severn Avenue, Building 14, Suite 200, Annapolis, Maryland.

Jurisdiction & Venue

7. This Court has personal jurisdiction over Compass, as a corporation organized under the laws of Virginia, pursuant to Va. Code Ann. §§ 13.1-603 and 13.1-747.

8. Venue is proper in this Court pursuant to Va. Code Ann. § 8.01-262.

Facts Supporting Judicial Dissolution

9. Compass is a manufacturers' representative of consumer goods, sales, marketing and analytics that partners with various brands of consumer goods used to obtain a brand presence in retail and specialty marketplaces. At its pinnacle approximately five years ago, Compass managed nearly \$200 million in sales from manufacturers to non-traditional retail channels, received commission-based revenues of nearly \$18,000,000 and had approximately 70 employees.

10. John White currently controls and dominates the operation of the company by virtue of owning 50% of the outstanding stock shares, and through other actions described below.

11. This Petition for judicial dissolution is necessary and appropriate, as the Petitioners collectively also own fifty percent (50%) of the outstanding Compass stock, which leaves them unable to remove John White as a director, to dissolve the corporation through a vote, or to otherwise break the present deadlock that has developed, to manage the affairs of the corporation. The deadlock materially and adversely affects the ability of the board to perform its duties to direct the management of the corporation's business and affairs.

12. Compass should be judicially dissolved, as all of the independent grounds for such relief provided in Va. Code Ann. § 13.1-747 are present: the directors are deadlocked in the management of corporate affairs; the shareholders are unable to break the deadlock; irreparable injury to the corporation is threatened or being suffered; corporate assets have been and continue to be misapplied and wasted by John White; and because John White and his agents have acted, are acting, or will act in a manner that is illegal, oppressive, and fraudulent.

13. On or about May 1, 2019, John White directed employees to stop making required distributions to Daniel White and Michael White and stopped paying them.

14. Not only did John White end distributions and compensation to Petitioners, cutting them off economically, in furtherance of his scheme to lock out Daniel White and Michael White completely and seize full control of Compass, John White directed that the locks on the Compass office be changed and notified employees that Daniel White and Michael White had been "terminated," which is false. Since then, Daniel White and Michael White have been completely locked out of Compass' operations and affairs, without control or any ability to intervene in the destructive, unlawful and improper actions described below.

15. In or around May 2019, John White increased his salary to the unreasonable and exorbitant amount of \$600,000 per year without prior authorization and approval by or consultation with the other directors.

16. In or around May 2019, John White also spent unnecessary, unreasonable and exorbitant amounts of Compass money for his personal security. First, he hired three alleged employees of Compass unnecessarily and without prior authorization and approval by or consultation with the other directors to provide personal security for himself. Upon information and belief, the personal security guards are receiving unreasonable and exorbitant compensation.

in excess of \$500,000 paid for by the company. Similarly, John White directed Compass to install security cameras in and around the company's facilities at a cost of approximately \$50,000. Compass never has and does not currently need extensive physical security for its premises or personal security for John White. He has sought to explain these outrageous expenditures by claiming that Michael White intends to kill him, which is false. However, these "security" measures appear to be aimed at helping John avoid any disgruntled investors in another business in which he is involved, Tagnetics, Inc. ("Tagnetics"). John White's concerns for his safety have nothing to do with Compass but, rather, other wrongful conduct at Tagnetics.

17. Tagnetics is an Ohio company, currently insolvent and the defendant in an involuntary bankruptcy petition in the United States Bankruptcy Court for the Southern District of Ohio. John White is also the co-CEO of Tagnetics and owns tens of thousands of shares of stock in Tagnetics. John White has drawn an unreasonable salary and other compensation from Tagnetics. Michael White has never drawn any salary or other remuneration from Tagnetics and owns 0 shares. Daniel White has never drawn any salary or other remuneration from Tagnetics and owns 500 shares, for which he paid \$15,000.

18. In May 2019, John White also increased the salaries of certain Compass employees assisting him in his lock-out scheme to unreasonable and exorbitant amounts, including Todd Mitchell ("Mitchell") whose compensation was increased to \$600,000 per year without prior authorization and approval by or consultation with the other directors. Mitchell also paid himself an additional \$50,000 bonus on May 1, 2019. John White also caused Compass to issue a note payable to PTM Capital, LLC (an entity owned or controlled by Mitchell) for \$291,361.15. Petitioners did not authorize or consent to the issuance of the notes payable to Mitchell or to PTM Capital and, upon information and belief, the notes payable issued to Mitchell and PTM Capital

were not supported by valid consideration. Mitchell resigned from Compass in September 2019. Upon information and belief, the compensation and other remuneration John White approved for payment to Mitchell is in large part in furtherance of John White's unlawful and fraudulent conduct.

19. John White also approved the sale of Compass stock shares in Tagnetics to Mitchell for \$0.01.

20. John White has also kept at least five employees on Compass' payroll and health insurance plan after their resignations which is, upon information and belief, John White's way of compensating them for investing in Tagnetics. One such investor is presently earning a salary of \$400,000 without prior authorization, approval by or consultation with the other directors which is, upon information and belief, compensation by John for not exposing Tagnetics' financial condition after he was threatened with termination from Compass.

21. Around that same time, John White offered Mitchell ownership interest in Compass at no cost, without authorization and consent by, consultation with, or any notice to the other directors or shareholders.

22. John White has offered ownership interest in Compass to other employees, without authorization and consent by or consultation with, or any notice to the other directors or shareholders.

23. Beginning in May 2019, John White, Mitchell and others began diverting money that had been withheld from employee paychecks for deposit into Compass' 401(k) Plan at Principal Financial, to fund their own newly increased salaries, and to Tagnetics, which is independently wrongful and has triggered an investigation and subpoena from the U.S. Department of Labor. He has made materially misleading and false representations for the Company's failure

to deposit the withholdings from employee paychecks. At or about the same time that he and Mitchell failed to deposit the employees' money with the 401k Plan, they increased their own salaries to \$600,000 each.

24. Daniel White and Michael White are the designated sole trustees of the Compass 401(k) Plan. John White is not a trustee and has no authority over contributions to the Plan or the Plan assets. Nonetheless, John White and Mitchell have blocked Daniel White's and Michael White's access to the Plan and all Plan information, despite their continuing status as the Plan's sole trustees.

25. During 2019, John White used more than \$100,000 in Compass funds on personal attorneys' fees and settlement payments related to a sexual harassment and discrimination claim brought against him by Tracy Teague, who had been a friend of his and an individual he allegedly hired as Compass employee. In fact, however, John White actively deceived the other directors and defrauded Compass by hiring Ms. Teague to work for a fictitious company called Compass Premium Services, placing her on the Compass payroll (and paid an exorbitant and unreasonable amount of more than \$500,000 total) and providing her with a vehicle, but he did not require Ms. Teague to come to work or perform duties for the corporation. All of John White's actions with respect to Ms. Teague were done without the prior authorization or approval by or consultation with the other directors.

26. John White has used Compass funds to make many payments (totaling, upon information and belief, more than \$2 million) for the benefit of Tagnetics, including payments to its disgruntled investors, creditors, employees, business development costs, and attorneys' fees—none of which have any connection to the business needs or affairs of Compass.

27. In June 2019, John White hired another friend on Compass payroll whose job description included working for "IOT Smart Retail", another sham entity created by John White. The employee performs no work for Compass; however, she travels with John White on the Company's expense account as a companion to places such as California and Saudi Arabia for business unrelated to Compass.

28. John White uses more than fifty percent (50%) of alleged Compass payroll to pay employees performing work for other, non-affiliated entities, such as Tagnetics. The work done by these employees does not benefit Compass, and is in furtherance of unlawful purposes and fraudulent investment schemes. In October 2019, John White hired the president of Tagnetics to also be the president of Compass at a salary of \$400,000 plus benefits. This is done without the prior authorization or approval by or consultation with the other directors.

29. John White has used various schemes to avoid payroll and other taxes and making some payroll payments "off the books." He has caused approximately \$100,000 to be paid to "Ricky Pierce" in the last twelve (12) months through the social media and funds transfer application called Venmo. Mr. Pierce was working for Tagnetics by working on website and other social media to maintain the appearance of Tagnetics as a legitimate company connected to Compass. He has also purportedly paid Mitchell by giving him Tagnetics stock allegedly worth approximately \$100,000, again avoiding payroll taxes and other lawfully required deductions and revenue authority contributions.

30. John White has also placed people on the Compass payroll in order to influence them from disclosing information about the scheme involving Tagnetics. For example, John White hired an individual by the name of Luis Fernandez, a former Tagnetics bookkeeper, and placed Mr. Fernandez on the Compass payroll when Mr. Fernandez was subpoenaed by the plaintiffs in

the Tagnetics bankruptcy case. Mr. Fernandez does not work for Compass but, rather, works on John White's personal taxes and manipulating the financial data of Tagnetics.

31. Despite his exorbitant spending on "salaries" for his friends and security against imagined threats, John White has failed to use Compass funds toward necessary and appropriate ends, such as paying rent on its warehouse. The company's landlord has twice obtained judgments against Compass for failure to pay rent.

32. On or about August 8, 2019, John White and Stephen B. Stern, Esq., incorporated a company named Smart Retail, Inc. ("Smart Retail") in the State of Wyoming. John White and Mr. Stern are owners of Smart Retail. Upon information and belief, John White formed Smart Retail to continue the fraudulent investment scheme he and his cohorts had been running with respect to Tagnetics, just under a different name and, like Tagnetics, Compass assets were used to establish and continue to be used to further an unlawful enterprise and fraudulent investment scheme. Additionally, company funds were used to pay for travel for John White and other Smart Retail co-investors to travel to California, Paris, Saudi Arabia and other locations for purposes related to Smart Retail, not Compass. This was done without the prior authorization, approval by or consultation with the other directors.

33. John White has caused M&T Bank to stop providing access to the other directors of the company by making false or materially misleading representations to the bank.

34. The Internal Revenue Service has also filed liens against John White in the Circuit Court for Anne Arundel County, Maryland for an amount in excess of \$1 million, which is in addition to liens by the State of Maryland of approximately \$350,000. John White has wrongfully used funds from Compass to make payments against these liens without the prior authorization or

approval by or consultation with the other directors. Further, the liens have negatively impacted the operations of Compass by impeding its ability to obtain financing.

35. The above-described actions constitute improper and unauthorized use and waste of Compass assets, which the Petitioners are powerless to stop or curb given the distribution of ownership interest in Compass that allows John White to dominate the operations and governance.

36. John White's conduct, as described above, is illegal, oppressive, and fraudulent.

37. John White continues to use Compass funds for his personal use and benefit, and (by virtue of his domination of the company and the deadlock among the shareholders) is likely to continue doing so unless a custodian and/or receiver is appointed to preserve all assets during the pendency of this proceeding, and subsequently to wind down its operations and liquidate assets, pursuant to Virginia Code Ann. § 13.1-749.1.

38. Since John White locked out Michael and Daniel White from Compass' operations and management, the company has lost approximately fifty percent (50%) of its contracts, representing a disastrous decline that is likely to continue or even accelerate.

39. Because the Compass shareholders are in fundamental disagreement, the Court's supervision of the dissolution and winding down process through the appointment of a receiver and/or custodian is necessary to effect these processes in a proper and expeditious manner.

WHEREFORE, Petitioners respectfully request that this Honorable Court enter judgment in their favor by:

- A. Dissolving the legal entity Compass Marketing, Inc.;
- B. Appointing a custodian and/or receiver to preserve the assets of Compass during the pendency of this proceeding and subsequent dissolution of Compass' business and affairs and liquidation of assets; and

C. For such other and further relief as might be necessary for Petitioners' cause.

Respectfully submitted,

PALEY, ROTHMAN, GOLDSTEIN, ROSENBERG,
EIG & COOPER, CHARTERED

By: 

Jessica B. Summers, Esq., VSB No. 84513
James R. Hammerschmidt, *pro hac vice* pending
S. Hayes Edwards, *pro hac vice* pending
4800 Hampden Lane, Sixth Floor
Bethesda, Maryland 20814
jsummers@paleyrothman.com | (301) 968-3402
jrh@paleyrothman.com | (301) 951-9338
hedwards@paleyrothman.com | (301) 968-3415
Facsimile (301) 654-7354

*Counsel for Petitioners Daniel J. White and
Michael R. White*

Dated: December 2, 2019

COVER SHEET FOR FILING CIVIL ACTIONS
COMMONWEALTH OF VIRGINIA

Case No. CU19-3628
(CLERK'S OFFICE USE ONLY)

Arlington County

Circuit Court

Daniel J. White and Michael R. White

v./In re:

Compass Marketing, Inc. and John D. White

PLAINTIFF(S)

DEFENDANT(S)

I, the undersigned ☐ plaintiff ☐ defendant ☒ attorney for ☒ plaintiff ☐ defendant hereby notify the Clerk of Court that I am filing the following civil action. (Please indicate by checking box that most closely identifies the claim being asserted or relief sought.)

GENERAL CIVIL

Subsequent Actions

- ☐ Claim Impleading Third Party Defendant
 - ☐ Monetary Damages
 - ☐ No Monetary Damages
- ☐ Counterclaim
 - ☐ Monetary Damages
 - ☐ No Monetary Damages
- ☐ Cross Claim
- ☐ Interpleader
- ☐ Reinstatement (other than divorce or driving privileges)
- ☐ Removal of Case to Federal Court

Business & Contract

- ☐ Attachment
- ☐ Confessed Judgment
- ☐ Contract Action
- ☐ Contract Specific Performance
- ☐ Detinue
- ☐ Garnishment

Property

- ☐ Annexation
- ☐ Condemnation
- ☐ Ejectment
- ☐ Encumber/Sell Real Estate
- ☐ Enforce Vendor's Lien
- ☐ Escheatment
- ☐ Establish Boundaries
- ☐ Landlord/Tenant
 - ☐ Unlawful Detainer
- ☐ Mechanics Lien
- ☐ Partition
- ☐ Quiet Title
- ☐ Termination of Mineral Rights

Tort

- ☐ Asbestos Litigation
- ☐ Compromise Settlement
- ☐ Intentional Tort
- ☐ Medical Malpractice
- ☐ Motor Vehicle Tort
- ☐ Product Liability
- ☐ Wrongful Death
- ☐ Other General Tort Liability

ADMINISTRATIVE LAW

- ☐ Appeal/Judicial Review of Decision of (select one)
 - ☐ ABC Board
 - ☐ Board of Zoning
 - ☐ Compensation Board
 - ☐ DMV License Suspension
 - ☐ Employee Grievance Decision
 - ☐ Employment Commission
 - ☐ Local Government
 - ☐ Marine Resources Commission
 - ☐ School Board
 - ☐ Voter Registration
 - ☐ Other Administrative Appeal

DOMESTIC/FAMILY

- ☐ Adoption
 - ☐ Adoption - Foreign
- ☐ Adult Protection
- ☐ Annulment
 - ☐ Annulment - Counterclaim/Responsive Pleading
- ☐ Child Abuse and Neglect - Unfounded Complaint
- ☐ Civil Contempt
- ☐ Divorce (select one)
 - ☐ Complaint - Contested*
 - ☐ Complaint - Uncontested*
 - ☐ Counterclaim/Responsive Pleading
 - ☐ Reinstatement - Custody/Visitation/Support/Equitable Distribution
- ☐ Separate Maintenance
 - ☐ Separate Maintenance Counterclaim

WRITS

- ☐ Certiorari
- ☐ Habeas Corpus
- ☐ Mandamus
- ☐ Prohibition
- ☐ Quo Warranto

PROBATE/WILLS AND TRUSTS

- ☐ Accounting
- ☐ Aid and Guidance
- ☐ Appointment (select one)
 - ☐ Guardian/Conservator
 - ☐ Standby Guardian/Conservator
 - ☐ Custodian/Successor Custodian (UTMA)
- ☐ Trust (select one)
 - ☐ Impress/Declare
 - ☐ Reformation
- ☐ Will (select one)
 - ☐ Construe
 - ☐ Contested

MISCELLANEOUS

- ☐ Appointment (select one)
 - ☐ Church Trustee
 - ☐ Conservator of Peace
 - ☐ Marriage Celebrant
- ☐ Bond Forfeiture Appeal
- ☐ Declaratory Judgment
- ☐ Declare Death
- ☐ Driving Privileges (select one)
 - ☐ Reinstatement pursuant to § 46-2-427
 - ☐ Restoration - Habitual Offender or 3rd Offense
- ☐ Expungement
- ☐ Firearms Rights - Restoration
- ☐ Forfeiture of U.S. Currency
- ☐ Freedom of Information
- ☐ Injunction
- ☐ Interdiction
- ☐ Interrogatory
- ☐ Judgment Lien-Bill to Enforce
- ☐ Law Enforcement/Public Official Petition
- ☐ Name Change
- ☐ Referendum Elections
- ☐ Sever Order
- ☐ Taxes (select one)
 - ☐ Correct Erroneous State/Local
 - ☐ Delinquent
- ☐ Vehicle Confiscation
- ☐ Voting Rights - Restoration
- ☒ Other (please specify)

Corp. Dissolution & Receivership

☐ Damages in the amount of \$ are claimed.

December 2, 2019

DATE

Jessica B. Summers

PRINT NAME

Paley Rothman, 4800 Hampden Lane, 6th Fl, Bethesda, MD 20814

ADDRESS/TELEPHONE NUMBER OF SIGNATOR

(301) 968-3402 | Fax (301) 654-7354

jsummers@paleyrothman.com

EMAIL ADDRESS OF SIGNATOR (OPTIONAL)

☒ PLAINTIFF

☐ DEFENDANT

☐ ATTORNEY FOR

☒ PLAINTIFF

☐ DEFENDANT

*"Contested" divorce means any of the following matters are in dispute: grounds of divorce, spousal support and maintenance, child custody and/or visitation, child support, property distribution or debt allocation. An "Uncontested" divorce is filed on no fault grounds and none of the above issues are in dispute.

**Civil Action Type Codes
(Clerk's Office Use Only)**

Accounting	ACCT	Ejectment	EJET
Adoption	ADOP	Encumber/Sell Real Estate	RE
Adoption - Foreign	FORA	Enforce Vendor's Lien	VEND
Adult Protection	PROT	Escheatment	ESC
Aid and Guidance	AID	Establish Boundaries	ESTB
Annexation	ANEX	Expungement	XPUN
Annulment	ANUL	Forfeiture of U.S. Currency	FORF
Annulment - Counterclaim/Responsive Pleading	ACRP	Freedom of Information	FOI
Appeal/Judicial Review		Garnishment	GARN
ABC Board	ABC	Injunction	INJ
Board of Zoning	ZONE	Intentional Tort	ITOR
Compensation Board	ACOM	Interdiction	INTD
DMV License Suspension	JR	Interpleader	INTP
Employment Commission	EMP	Interrogatory	INTR
Employment Grievance Decision	GRV	Judgment Lien - Bill to Enforce	LIEN
Local Government	GOVT	Landlord/Tenant	LT
Marine Resources	MAR	Law Enforcement/Public Official Petition	LEP
School Board	JR	Mechanics Lien	MECH
Voter Registration	AVOT	Medical Malpractice	MED
Other Administrative Appeal	AAPL	Motor Vehicle Tort	MV
Appointment		Name Change	NC
Conservator of Peace	COP	Other General Tort Liability	GTOR
Church Trustees	AOCT	Partition	PART
Custodian/Successor Custodian (UTMA)	UTMA	Permit, Unconstitutional Grant/Denial by Locality LUC	
Guardian/Conservator	APPT	Petition - (Miscellaneous)	PET
Marriage Celebrant	ROMC	Product Liability	PROD
Standby Guardian/Conservator	STND	Quiet Title	QT
Asbestos Litigation	AL	Referendum Elections	ELEC
Attachment	ATT	Reinstatement (Other than divorce or driving	
Bond Forfeiture Appeal	BFA	privileges)	REIN
Child Abuse and Neglect - Unfounded Complaint	CAN	Removal of Case to Federal Court	REM
Civil Contempt	CCON	Restore Firearms Rights - Felony	RFRF
Claim Impleading Third Party Defendant -		Restore Firearms Rights - Review	RFRR
Monetary Damages/No Monetary Damages	CTP	Separate Maintenance	SEP
Complaint - (Miscellaneous)	COM	Separate Maintenance - Counterclaim/Responsive	
Compromise Settlement	COMP	Pleading	SCRP
Condemnation	COND	Sever Order	SEVR
Confessed Judgment	CJ	Taxes	
Contract Action	CNTR	Correct Erroneous State/Local	CTAX
Contract Specific Performance	PERF	Delinquent	DTAX
Counterclaim - Monetary Damages/No Monetary		Termination of Mineral Rights	MIN
Damages	CC	Trust - Impress/Declare	TRST
Cross Claim	CROS	Trust - Reformation	REPT
Declaratory Judgment	DBCL	Uniform Foreign Country Money Judgments	RFCJ
Declare Death	DDTH	Unlawful Detainer	UD
Detinue	DET	Vehicle Confiscation	VEH
Divorce		Voting Rights - Restoration	VOTE
Complaint - Contested/Uncontested	DIV	Will Construction	CNST
Counterclaim/Responsive Pleading	DCRP	Will Contested	WILL
Reinstatement - Custody/Visitation/Support/		Writs	
Equitable Distribution	CVS	Certiorari	WC
Driving Privileges		Habeas Corpus	WHC
Reinstatement pursuant to § 46.2-427	DRIV	Mandamus	WM
Restoration - Habitual Offender or		Prohibition	WP
3 rd Offense	REST	Quo Warranto	WQW
		Wrongful Death	WD